

Public Philanthropic Partnerships: Tools for Successful Housing and Community Development
December 10, 2010

Good afternoon!

Thank you, Stephen, for that very kind introduction, and for the remarkable work you do every day.

I'd like to mention that HUD is about to enter into a Public-Private Partnership Agreement with Stephen and the Business Civic Leadership Center (BCLC).

This Agreement will support the coordination of BCLC-HUD regional forums and other collaborative events for sharing and coordinating. The long-term goal of these tangible meetings is to leverage grant dollars to further the partners' missions.

I also want to thank Mary Wong and the Office Depot Foundation for their leadership for inviting me to join you today.

It's indeed an honor and a pleasure to join you and so many civic leaders from around the country. I am pleased to have this opportunity to learn about your work here in South Florida.

I'd also like to congratulate Office Depot for hosting this convening and to congratulate the leaders in our communities to "think, and learn.... and care" about the important work that needs to be done in our communities.

We know that no one company, no one foundation or institution - can do it on their own. Indeed we know that the entire resources of government will not be enough to address the challenges we face today – we must work together.

And so I bring you greetings from Secretary Shaun Donovan and Deputy Secretary Ron Sims.

The Secretary often talks about HUD's founding in 1965...

He also recalls sitting in Yankee Stadium during Game Two of the 1977 World Series when Howard Cosell broadcast his famous words to millions of viewers across the nation:

"Ladies and gentleman, the Bronx is burning."

Even as an 11 year-old, he could feel the sense of chaos that bubbled close to the surface as communities frayed close to the point of breaking.

Arson consumed thousands of buildings, and neighborhoods lost 75 percent of their populations in just 10 years.

Today it's hard to imagine that the now vibrant neighborhoods surrounding the new Yankee Stadium were part of the warzone that was the South Bronx.

To be sure, the local leadership provided by Mayor Koch made a difference.

And certainly, new tools from the private sector brought not only new capital to affordable housing but perhaps more importantly, a new sense of discipline and innovation that would extend from the way

affordable housing is financed -- to how properties are managed.

The transformation of the South Bronx wouldn't have been possible without committed local elected officials and others from civil society -- including local churches and ministries, community foundations, and nonprofits like Habitat for Humanity, the Urban League and so many others, such as the ones here today.

These critical partners built capacity from the ground up ensuring a better future for the neighborhood.

These organizations, their local chapters and thousands of affiliates not only solved problems at the local level -- they went on to become some of our most innovative housing developers, community builders and most important civic institutions.

Today, we've seen that model transform neighborhoods across the country -- as communities increasingly embrace a more holistic approach to neighborhood revitalization that links affordable housing to health and child care, to education, and to workforce and economic development.

And throughout this recent economic crisis, we've seen how important the role of public private partnerships really is.

Two years ago Congress created the Neighborhood Stabilization Program, (or NSP) to help communities turn foreclosed, vacant properties into the affordable housing families need.

But it was only when civil society, volunteers, and private partners with the expertise and community ties to make a difference on the ground, that things began to evolve---shifting strategy from building homes to fixing them up--that we began to see the impact these dollars could make.

So at HUD, we see ourselves as MORE than a funder, we see ourselves as your partner on the ground- helping to spur and encourage locally-driven, integrated, and place-conscious solutions...

And to remove barriers that obstructed them.

AND we understand that not all localities and regions have the capacity in place to make these transformations. So HUD, through our Office of Community Planning and Development has dedicated program grant funds for intermediaries to develop the capacity of nonprofit community development corporations to use to attract private investment for housing, economic development, and other community revitalization activities.

It's particularly good to speak to each of you on behalf of an Administration that shares your commitment to building the strong, sustainable housing and communities that America needs to lead in the 21st century.

As Deputy Assistant Secretary for International and Philanthropic Innovation (or IPI), my office is charged with embodying the President's goal of making government inclusive, transparent, accountable and responsible, while achieving HUD's goals of building capacity and transforming the way HUD does business...

We aim to do that by creating and coordinating opportunities for direct dialogue, bringing new voices to the table and ensuring that everyone can participate and inform policy/practice.

As President Obama has charged-- finding new solutions to old problems by working across public, private and civic sectors

IPI is working to position “HUD as a Hub” for innovation

We do this in 3 ways:

First by serving as a portal for civil society - foundations, corporations, and our international partners.

Second – by Scouting out and lift up innovative ideas that work – to Inform Policy and Programs so that we are working smarter

For example:

We recently launched a prize competition for Sustainable Urban Housing, which aims to nominate and lift up best practices. We’re looking for innovative solutions that engage communities, entrepreneurs, and key institutions in collaborating to integrate and develop affordable, inclusive, and sustainable urban housing that respects the environment, local cultures, and practices. This competition is being launched in anticipation of the 2012 Summit of the Americas and in support of U.S. President Barack Obama's Energy and Climate Partnership for the Americas (ECPA). And we encourage you to nominate best practices and to submit your own ideas.

And third – by working with you all to align and leverage investments so funding is strategic and not scattered.

The idea that I want to leave behind is that working together, we leverage ideas and investments...This alignment allows HUD to be more effective at getting programs to enact change and increase scale

The White House hopes that our office to be a model for other agencies so I welcome your ideas. I encourage you to get in touch with us and stay in touch.

I’d also like to talk a bit about HUD...

Few of you work on housing issues and are probably wondering why Mary invited me to speak to you today.

You know HUD as a provider of Public and Assisted Housing and we’re also known for FHA loan guarantees – which all make up parts of the “H” in HUD; But there’s substantial work on the “UD” side as well...the urban development - the building of communities, neighborhoods and connections in the places that we live, work and play.

An example of neighborhood revitalization work we do is the Choice Neighborhoods initiative-

Choice Neighborhoods builds on the successes of HOPE VI and expands the toolkit to allow for redevelopment of both public and other HUD-assisted housing properties.

This means that a broader pool of partners can get involved! And many new places are eligible to apply. I encourage you to contact us in Washington or your local HUD field office to find out more about the program.

Given the moment we're in, the role housing and the built environment played in creating this economic crisis, and the role they can play in helping us recover from it...

Obviously, this has been a remarkable two years -- unlike any of us have seen in our lifetimes.

When the President took office, we were staring into an abyss. Experts across the political spectrum said we were headed for a Second Great Depression.

And they were right.

We were losing 753,000 jobs a month when the President walked into the Oval Office.

Credit--the lifeblood of our economy--was frozen nearly solid.

And house prices were in freefall -- they had declined for 30 straight months.

Those were the grim realities we faced less than two years ago. And so we stepped in aggressively.

And with passage of the President's Recovery Act, we brought the full force of the Federal government to bear on rebuilding the foundation of our economy.

The results of this comprehensive approach are clear:

That most critical source of wealth for Americans, home equity, has increased by over a trillion dollars, or \$14,000 on average for the nation's nearly 78 million homeowners.

More than 3.5 million homeowners have received restructured mortgages with more affordable monthly payments.

And most important of all, we have now seen 10 straight months of private sector job creation.

But we all know that's not good enough -- our unemployment rate is still unacceptably high. And given the millions of people the recession put out of work, we've got a lot of work ahead of us.

In order to repair this damage--to create the jobs to meet the large need--we must accelerate the pace of our economic growth.

Certainly, one of the most important tools in our toolbox has been the Recovery Act.

When President Obama signed the Recovery Act into law, he said it would do three things:

- Create jobs,
- Help those most harmed by economic crisis, and
- Lay the foundation for long-term growth.

And you know better than anyone that it has done exactly that -- responsible for as many as 3.7 million jobs.

But as important as all these efforts are, this audience knows that real economic and environmental sustainability isn't just about the kind of buildings we build -- but also where we build them and who is at the table working with us.

Certainly, it's no coincidence that the neighborhoods that faced the brunt of the crisis--with the highest foreclosure rates and the deepest job losses--were the most unsustainable

-- with the least access to transportation, the most troubled schools and the least economic opportunity.

For all the implications of "sprawl"--from job loss, economic decline and segregation, to alarming obesity, asthma rates, to the loss of habitat and climate change, to our dangerous dependence on foreign oil--all of

them share one fundamental problem:

-A mismatch between where we live and where we work.

Whatever else we do to address these problems, America must find a way to connect housing to jobs.

Today, for every dollar the average household earns, they now spend 52 cents on housing and transportation combined.

They have become American families' two single biggest expenses.

Of course, while the "drive to qualify" frenzy of the housing bubble years forced families to move further away from job centers to find a home they could afford - sprawling development didn't begin with the housing boom -- it just got worse.

Lest we forget, the beltways and highways that drove investment away from the urban cores and into disconnected employment centers outside city limits were built by the Federal government.

Put simply, it's hard to green your built environment when congestion on our roads costs us five times as much wasted fuel and time as it did 25 years ago.

We live in a world that is changing in three fundamental ways.

First, we increasingly recognize that cities, suburbs and the rural areas that surround them share an economic future.

For example, the metro area surrounding Chicago is home to two-thirds of Illinois' population BUT produces more than three-quarters of the state's GDP.

You see this trend repeated elsewhere in the country. Even in rural states like Iowa, Arkansas, Nebraska and Kansas -- metro areas are responsible for the majority of their economic growth.

Second, people are voting with their feet more and more -- moving back into central cities and inner ring suburbs. And communities from Seattle to Salt Lake are responding -- leveraging public dollars with private and philanthropic capital to expand transportation options and preserve the affordability of neighborhoods.

And third, challenges we once associated with cities--from foreclosures to homelessness--have become suburbanized.

Indeed, in the last two years alone, as we've made progress on chronic homelessness, we've seen a more than 50 percent increase in rural and suburban family homelessness.

Even as cities and suburbs increasingly share challenges, the Federal government can do so much more to ensure they can share solutions.

That's why the Federal government is supporting on an unprecedented scale the planning and creation of sustainable communities that are better places to live and work and more economically competitive.

Indeed, from the moment President Obama was inaugurated, he directed us to not only catch up to what localities are already doing -- but to scale up those ideas, lead the charge and set the pace for change.

Last February, HUD launched our new Office of Sustainable Housing and Communities.

This office allows us to work directly with communities to support innovative planning and practice at the local level and helping to coordinate our investments with other agencies at the federal level.

The Goal: is to stimulate more integrated regional planning to guide state, metropolitan, and local investments in land use, transportation and housing, as well as to challenge localities to undertake zoning and land use reforms

And its work goes beyond any one agency. Last year, 3 agencies (HUD, Department of Transportation and the Environmental Protection Agency) came together to form the Sustainability Partnership BECAUSE - When it comes to housing, environmental and transportation policy, the Federal government finally must speak with one voice.

And so we did last month. With our partners at DOT, HUD awarded nearly \$170 million in planning grants to ensure regions and communities across the country have more housing and transportation choices, more energy independence, and will be more economically competitive. This represents the most significant federal investment in planning in generations.

These awards were jointly reviewed and selected by all three agencies -- HUD, DOT and EPA.

For those of you who haven't been bureaucrats, this may not sound like a big deal.

But in the sphere of government, having three different federal agencies in a room, reviewing grants together--and agreeing on how to coordinate in a place-based way--is nothing short of a revolution.

Communities across the country offered bold, unique proposals to plan and build sustainably based on their own local resources, landscape, culture and ingenuity.

Right here in FL, \$5.65 million in grants were awarded to six rural counties of Central Florida, and in the seven-county region of Southeast Florida that will leverage existing infrastructure and reward local collaboration, innovation -- as well as spur development of regional plans that integrate affordable housing with neighboring retail and business development.

- The South Florida Regional Planning Council in Hollywood received over \$4.2 million -- Seeking to put in place a Regional Plan for Sustainable Development to ensure that planning and investment decisions yield a more prosperous, inclusive, and sustainable region. The project will integrate data, tools, and models to assess the region today, understand the region's future, and track progress. A monitoring plan will focus on measuring progress.
- In Bartow, the Central Florida Regional Planning Council received \$1.4 million to create a vision for the future that enables growth while preserving natural areas and protecting wildlife and agricultural production, supporting sustainable, healthy communities of all sizes, and ensuring a vibrant economic and social life.
- Additionally, the City of Tampa was awarded a \$1.2 million HUD-DOT Challenge Grant to connect housing, employment and economic development with transportation and other infrastructure improvements. The joint HUD-DOT funding will support 62 local and regional partnerships seeking to create a more holistic and integrated approach to connecting affordable housing, job opportunities and transportation corridors.

Too often the discussion in Washington is about big government versus small government. But on the ground in communities, it's about *smart* government.

It's about generating savings that will benefit families for generations to come. And that's what these grants were about.

And as such, we need a broad coalition as represented here this week -- of people who have been leaders on these issues and those who are emerging as leaders in the sustainability movement.

The only way America can make this transition is if the private and nonprofit sectors are fully invested in this future – by collaborating and unleashing the ingenuity of our entrepreneurs so that we can take good ideas to scale.

Thank you.

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